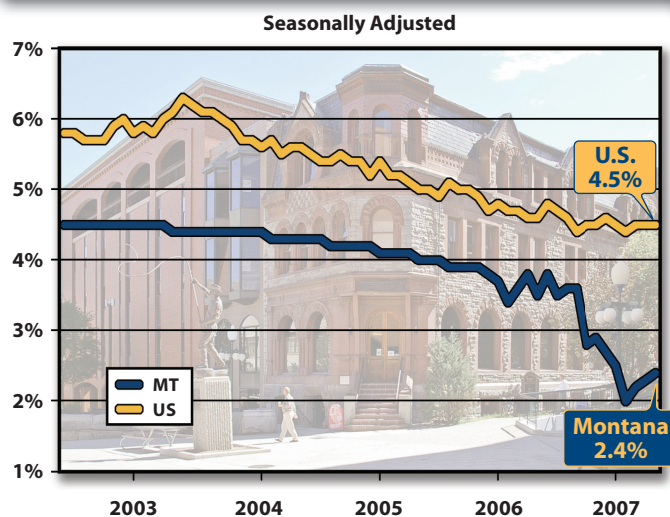


Montana Economy at a Glance

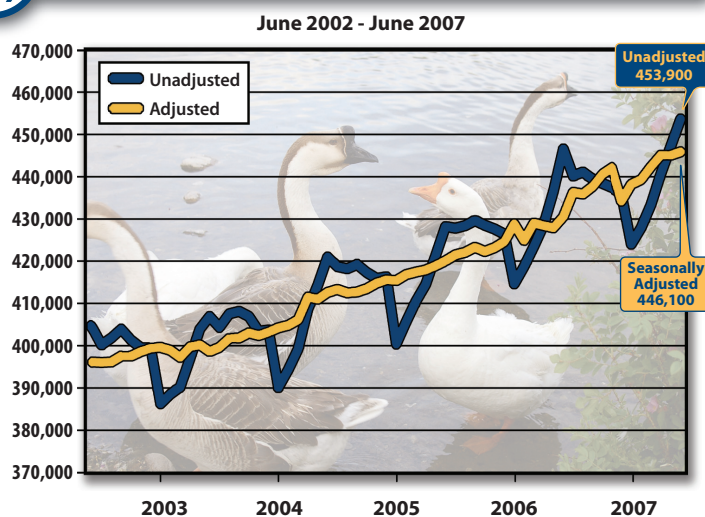
UNEMPLOYMENT RATE



NONFARM EMPLOYMENT

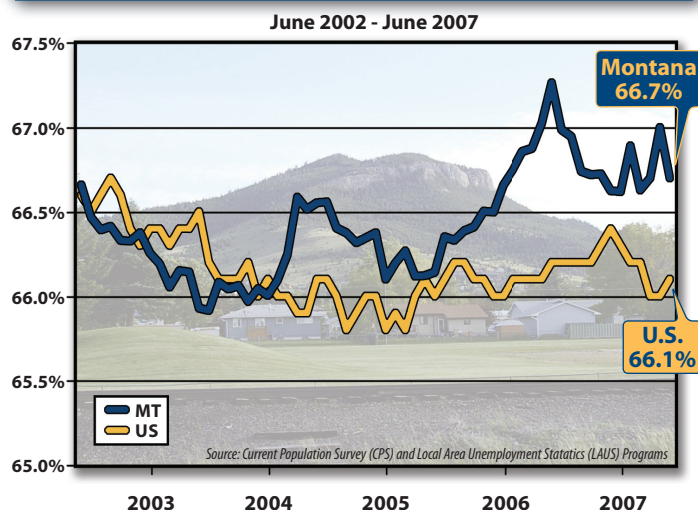


Montana's seasonally adjusted unemployment rate rose slightly to 2.4% in June 2007 from 2.3% in May. The U.S. rate remained steady at 4.5% over the month.



Montana's seasonally adjusted nonagricultural payroll employment increased by 800 jobs (0.2%) from May to June 2007. Construction experienced the largest increase with 600 (+1.8%) additional jobs. Significant gains were also seen in Other Services, which added 400 jobs (+2.3%), and Leisure and Hospitality, which gained 300 (+0.5%).

LABOR FORCE PARTICIPATION



Labor force participation slipped by 0.3% between May and June in Montana. This decline occurred despite the continuing need for new workers in the Montana economy. Over the past year, labor force participation rates have not established a clear trend, but instead have settled into a range.

EMPLOYMENT BY INDUSTRY

Industry Employment (in thousands)	Jun. ^(P) 2007	May 2007	Net Change	Percent Change
Total Non-Agricultural	446.1	445.3	0.8	0.2%
Natural Resources & Mining	8.9	8.7	0.2	2.3%
Construction	33.4	32.8	0.6	1.8%
Manufacturing	20.6	20.5	0.1	0.5%
Trade, Transportation, Utilities	91.3	91.4	-0.1	-0.1%
Information	7.6	7.8	-0.2	-2.6%
Financial Activities	22.2	22.5	-0.3	-1.3%
Professional & Business Services	40.3	40.5	-0.2	-0.5%
Education & Health Services	58.4	58.4	0.0	0.0%
Leisure & Hospitality	58.7	58.4	0.3	0.5%
Other Services	17.5	17.1	0.4	2.3%
Total Government	87.2	87.2	0.0	0.0%

(P) denotes preliminary figures

Workforce Information: A Critical Link for Economic Development

By Todd Younkin



Economic Development is a term that has lately been applied to a wide variety of approaches and initiatives, each designed to achieve a goal associated with an improvement in jobs, wages, tax structure, or other measures. The means to achieve their goals are as varied as the goals themselves. Incumbent and new worker training programs, investments in education, and business economic incentives are all representative of these efforts. However, all of these approaches can be tied together. There is a common need identifiable within Montana's economic development efforts – the need for accurate and timely workforce information. This article will explore just a few of the ways workforce information plays a crucial role in the pursuit of economic improvement across Montana.

Analysis for decision makers

Workforce information provides economic developers and business owners with constantly updated analysis of local, regional, and state labor market conditions. With this information, policy makers can identify trends and make well-informed decisions impacting the future of a region or a business. Shifts in industry and occupational mixes or economic growth rates may signal a need for economic developers to reevaluate their strategies. These same shifts may also indicate a need for workforce developers and educators to re-evaluate current education and training programs to ensure workforce needs continue to be met.

In many cases, workforce information can be used to confirm shifts first identified anecdotally. For example, workforce information has been used to substantiate anecdotal reports of worker shortages, especially in low-wage, low-skill jobs. When analyzed, wage data showed that although wages grew throughout the range of occupations, the largest growth was indeed primarily centered on low-wage, low-skill jobs. By using data to confirm the concerns presented by employers, policy makers are able to move forward with efforts to discuss, identify, and put into place solutions for the workforce shortage.

Site selection/labor force availability/ predictions of economic impact

Workforce information also plays a vital role when working with businesses looking to relocate to or expand their operations in a specific city or an undecided location within Montana. The addition or expansion of a business can have a major impact on a region's economy, as well as the business's overall profitability. Therefore, the decision to relocate or expand is crucial to both the business and the selected location. A key factor in many of these decisions is the availability of a trained workforce. Workforce information can help identify whether the local labor market can adequately meet a business's needs. Additionally, wage information on the local workforce can help businesses determine their labor costs. Workforce information can also

be used to give economic developers an idea of the projected economic impact of the relocation or expansion. This helps communities determine how to target economic incentives or job training assistance to the business and the level of investment that is needed.

Workforce training/education

Perhaps the biggest impact of workforce information occurs in the development of Montana's current and future workforce. Workforce information is a necessary component of successful workforce development. Information on projected industry and occupation changes, along with skill and wage information on the current and projected workforce enables decision makers to identify and focus efforts on targeted skills and occupations. With workforce planning dollars in short supply, workforce information can help planners efficiently and effectively identify training and education needs, successful programs, and areas for improvement. Students benefit from workforce information provided by the Montana Career Information System software which helps them plan for their future career. Additionally, current efforts may be measured by tracking the employment outcomes of workers who have exited specific training programs. Recent successes in workforce development planning include the State Workforce Investment Board's Health Care Task Force, which produced several recommendations for improving the availability of certain health care workers for current and projected needs.

Workforce development does not happen in a vacuum. It is important to note that economic developers by definition should play a crucial role in workforce development.

As stated earlier in this article, a trained and available workforce is critical to the success of any business endeavor.

Therefore, the more involved economic developers are in the workforce development

system, and the earlier that involvement happens, the more successful the system can be in meeting the needs of economic developers and businesses. A lack of involvement by economic developers in workforce development system planning negatively impacts the system's ability to plan for future needs. Such a situation could foster an environment that is more reactive versus proactive and visionary, which may lead to a local economy that lacks the flexibility to respond to economic opportunities.

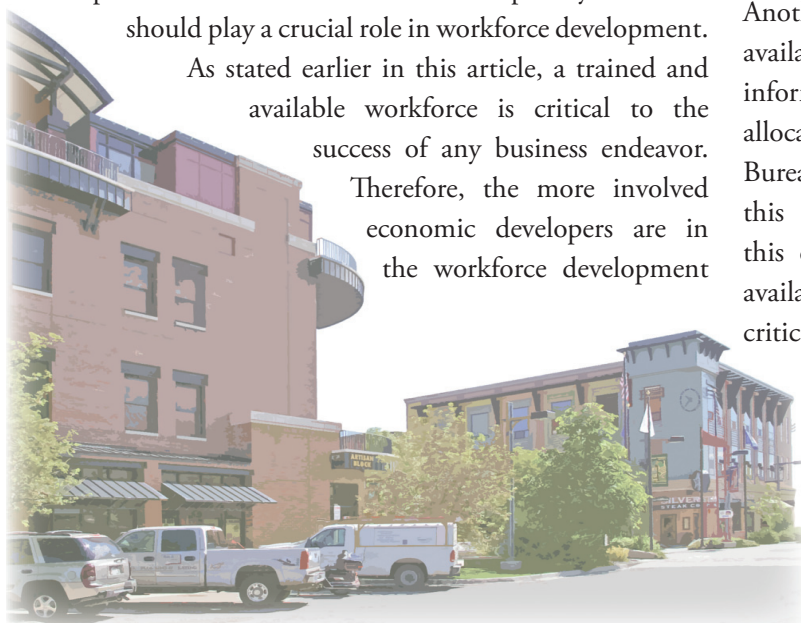
Conclusion

The impact of workforce information is evident. Perhaps one of the most visible examples is seen in Montana's Workforce Innovation in Economic Development (WIRED) grant to transform Eastern Montana's economy. Workforce, industry, and economic information have figured prominently in the application for and implementation of Montana's fifteen million dollar WIRED program.

Additionally, exciting possibilities continue to arise in Montana. The Office of the Commissioner of Higher Education (OCHE) and the Department of Labor and Industry (DLI) are currently finalizing a data link which will enable OCHE to investigate in detail the workforce outcomes of Montana University System graduates. Information gained from this research will directly enhance the improvements in curriculum and programming OCHE is currently undertaking. It is also anticipated that results from this research will enable DLI to present a more detailed picture of the educational characteristics of our current and projected workforce.

Another project under development is a statewide labor availability survey. DLI is leveraging federal workforce information funding with a grant from the state's WIRED allocation to contract with the University of Montana's Bureau of Business and Economic Research to conduct this survey. The department will then be able to use this comprehensive database to identify current worker availability. Further analysis of the results will identify critical skill and occupational pools and shortfalls.

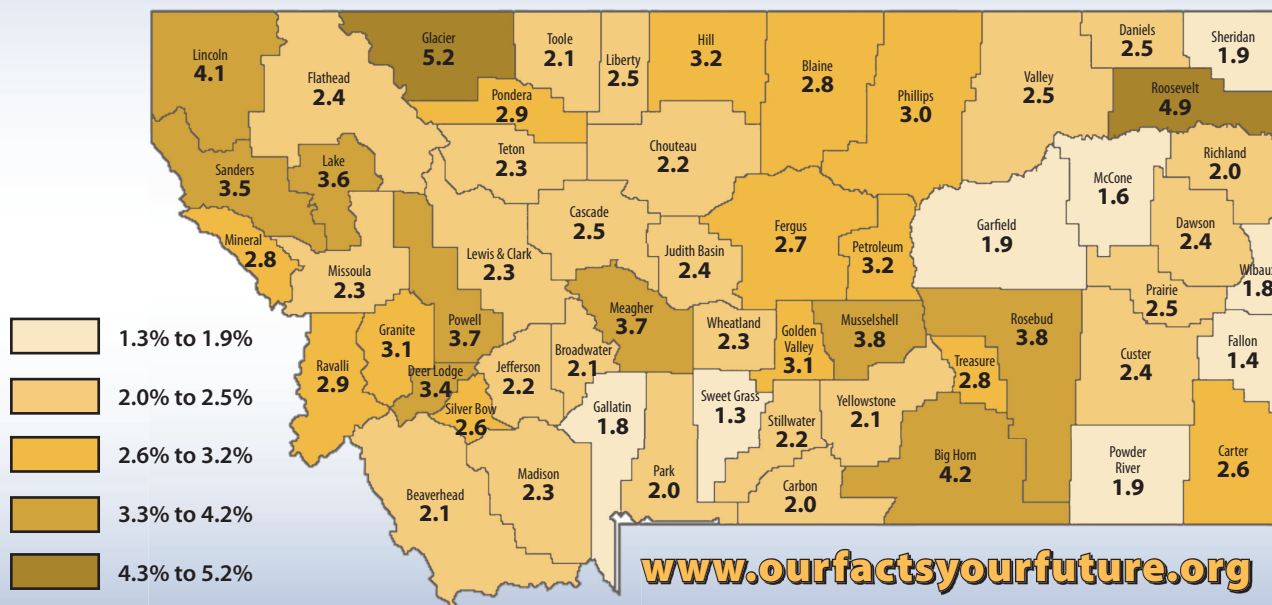
The knowledge gained from these and similar projects will enable workforce developers, educators, and economic developers to target strategies and programs to capitalize on our strengths, improve on our weaknesses, and foster economic growth throughout Montana.



COUNTY UNEMPLOYMENT RATES (NOT SEASONALLY ADJUSTED)

Montana Average Rate: 2.5%

Please note: The Federal Bureau of Labor Statistics has recently revised unemployment rates for individual counties from 2000 to the current. Statewide unemployment rates were not affected by these revisions. If you have any questions, please contact Tyler Turner at tturner@mt.gov or (406) 444-2992.



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